

EXHIBIT 1
CHRONOLOGY OF EVENTS RELATED TO LTCM

- March 16, 1998 Commission receives annual audited financial statements for LTCM's funds for the year ending December 31, 1997. NFA and all LTCM investors and lenders also receive the statements.
- April of 1998 NFA conducts a limited compliance review of LTCM.
- September 18, 1998 According to testimony before the U.S. House Banking Committee on Oct. 1, 1998, New York Federal Reserve Bank President William McDonough places a series of calls to Wall Street firms inquiring about LTCM's financial condition. McDonough also confers with Chairman Greenspan and Secretary Rubin about the situation. (McDonough Testimony at 2)
- September 20, 1998 Federal Reserve and Treasury officials go to LTCM offices where they learn information about LTCM's major positions and financial condition. (*Id.* at 2)
- September 22, 1998 New York Federal Reserve Bank officials arrange for early morning meeting with three firms with the greatest knowledge of LTCM's financial situation: Goldman Sachs, Merrill Lynch, and J.P. Morgan. (*Id.* at 3) Meetings with LTCM's creditors and swap counterparties continue throughout the day. (*Id.* at 4)
- September 23, 1998 The CFTC receives early morning notice from Treasury officials that LTCM is near default on its commitments on off- and on-exchange derivatives transactions.
- Offer to purchase LTCM is made at 10:00 a.m. by a group of investors. LTCM rejects the bid at 12:30 p.m. (*Id.* at 5)
- A consortium of creditors and counterparties agrees to infuse \$3.6 billion into LTCM in exchange for a 90% interest in the fund. A board is to be established to direct LTCM's investment decisions.
- After learning of LTCM's difficulties, the CFTC staff quickly determines the nature and value of the positions the firm carried on U.S. futures exchanges and takes steps to ensure the financial integrity of the futures exchanges. Commission staff institutes an immediate special review of LTCM and inspects its accounts at the U.S. FCMs that carry and clear LTCM's exchange-traded futures transactions. The Commission immediately contacts senior officials of the U.S. futures exchanges on which LTCM holds positions and certain international regulatory authorities to alert them about the possible problems related to LTCM's derivatives positions. Commission staff also contacts NFA.

- September 23, 1998 to the present The CFTC is in close communication on the LTCM matter with other members of the President's Working Group on Financial Markets and begins working with them on a study of hedge funds.
- September 24, 1998 Commission staff begins exploring whether any provisions of the CEA or Commission regulations might have been violated.
- October 5, 1998 Commission staff issues a special call for information to certain large CPOs and FCMs who deal with hedge funds. Commission staff is taking these steps to try to identify other traders whose positions in the OTC derivatives markets may affect the financial integrity of futures exchanges.
- October 19, 1998 Commission deadline for CPOs to respond to special call. Staff begins to analyze data received.
- November 30, 1998 Commission deadline for FCMs to respond to special call. Commission staff continues to evaluate the information.